

Legislative Issue Brief – Target Industry Sectors



Catawba County Board of Commissioner's Legislative Goal

Support legislation facilitating target industry sectors and encouraging the County's competitiveness as a whole

Background

Currently the NC Rural Center only provides grant funding to rural counties considered to be in economic distress. Due to its status as an urban county, Catawba County does not qualify for this funding, despite being in significant economic distress. Average unemployment rates for 2009 (excluding December data) show that Catawba County, with over 14% unemployment, had the 10th highest unemployment rate in the state. Yet, no organization is specifically providing aid to urban counties whose high unemployment rates affect a larger portion of the state population than do rural counties. Catawba County maintains that during such times of economic hardship, awards intended for distressed counties from the NC Rural Center be made available for all counties in distress, including urban counties.

Businesses located in NC, that also have locations in other states, currently pay state income tax based on three factors: the percentage of their property located in NC, the percentage of sales made to residents in NC, and the amount of payroll paid to residents in NC. Twenty-two states have adopted a different approach, determining a state's share of income tax based on sales to their in-state residents alone. Catawba County is in favor of moving towards this taxation system, a single factor multi-state corporation income tax apportionment, due to the benefits it would bring to the area. This type of taxation for multi-state corporations would not only help North Carolina attract more businesses, it would help North Carolina retain the businesses already located within the state. This would be highly beneficial for economically distressed counties, like Catawba County, who is aggressively seeking out potential new industries to stimulate the distressed economy and mitigate the unemployment rate.

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